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Federal Express
January 19, 2004

RECEIVED

JAN 26 2004

PUBLIC SERVICE
COMMISSION

Mr. Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

2004-00621

Re: Warren County Water District Water Revenue Bond Refunding

Dear Mr. Dorman:

Enclosed are an original and ten copies of the Application of Warren County Water District seeking approval of the issuance of bonds pursuant to KRS 278.300 for the purpose of refunding certain outstanding bonds bearing a higher interest rate.

No rate increase will be required.

The tentative closing date of the refunding transaction is February 26, 2004.

Should you need any additional information, please let me know. Thank you for your attention to this matter.

Sincerely,



William W. Davis

WWD:pf
encs.

cc: Mr. Joe Liles
Mr. Greg Phillips

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

IN THE MATTER OF:

JAN 26 2004

PUBLIC SERVICE COMMISSION

THE APPLICATION OF WARREN COUNTY)
WATER DISTRICT TO ISSUE SECURITIES IN)
THE APPROXIMATE PRINCIPAL AMOUNT OF)
\$2,125,000 FOR THE PURPOSE OF ADVANCE)
REFUNDING CERTAIN OUTSTANDING REVE-)
NUE BONDS OF THE DISTRICT PURSUANT TO)
THE PROVISIONS OF KRS 278.300 AND)
807 KAR 5:001)

CASE NO. 2004-00021

* * *

APPLICATION

The Applicant, Warren County Water District (the "District"), files this Application pursuant to KRS 278.300, 807 KAR 5:001 and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") enter an Order authorizing the District to issue certain securities in the approximate principal sum of \$2,125,000 (subject to adjustment of up to 8%), for the purpose of advance refunding certain outstanding water revenue bonds of the District, as described in the following paragraphs. In support of this Application, and in compliance with the rules and regulations of the Commission, the District states as follows:

1. The District was created and expanded as a result of the 1973 merger of two water districts in Warren County, the 1978 merger of another water district in Warren County into the District and the District's 1979 acquisition of the municipal water system of the City of Smith's Grove, all in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes and approvals of the Commission. The District is now, and has been since its inception, regulated by the

Commission, and all records and proceedings of the Commission with reference to the District are incorporated in this Application by reference. The District does not have any Articles of Incorporation because it is a statutory entity.

2. The governing body of the District is its Commission, which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purposes as provided in KRS 74.070 and all applicable law and regulations.

3. The mailing address of the District is as follows:

Warren County Water District
c/o Mr. Joe Liles, General Manager
P. O. Box 10180
523 U. S. Highway 31-W Bypass
Bowling Green, Kentucky 42102-4780
Telephone: (270) 842-0052

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Report for 2002 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The District proposes to issue new securities, to be designated Water Refunding Revenue Bonds, Series 2004A (the "2004A Bonds"), in the estimated principal amount of \$2,125,000 (subject to adjustment of up to 8%) for the purpose of advance refunding the District's outstanding Water Refunding Revenue Bonds, Series 1995B, in the principal amount of \$1,880,000 which bear interest at rates ranging from 5.25% to 6.00% per annum and finally mature on January 1, 2025 (the "Prior Bonds"). The Prior Bonds are first subject to prior redemption on August 1, 2005, at 102% of par.

6. The estimated debt service for the 2004A Bonds is shown in Exhibit 1 attached hereto and incorporated herein by reference. Exhibit 1 also shows estimated interest rates for the 2004A

Bonds, which range from 1.150% to 4.450% per annum. The debt service schedule and estimated interest rates are subject to change because of market conditions. The final terms and details of the 2004A Bonds may vary from the present assumptions based upon market conditions and other business judgment factors. The 2004A Bonds will be sold at a competitive sale on January 20, 2004, but will not be issued without approval of the Commission.

7. The 2004A Bonds will provide the District with the funds necessary (a) to advance refund the Prior Bonds, utilizing an invested defeasance escrow until the August 1, 2005, and to redeem the outstanding Prior Bonds on that date, and (b) to pay the fees and expenses of issuance of the 2004A Bonds.

8. The Sources and Uses of Funds with respect to the issuance of the 2004A Bonds are detailed in Exhibit 2 attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed advance refinancing will result in total gross savings of approximately \$193,734, which represents a net present value savings of \$112,260. These savings are shown on the Gross Debt Service Comparison schedule attached hereto, and incorporated herein by reference, as Exhibit 3.

10. The debt service schedule of the outstanding Prior Bonds being refunded is set forth in Exhibit 4 attached hereto and incorporated herein by reference.

11. The final principal amount of the 2004A Bonds and the final interest rates will be known on January 20, 2004, when the best bid for the 2004A Bonds is selected. Final financing data, including the amount, interest rates and maturities of the 2004A Bonds and aggregate present value and annual debt service savings, will be submitted to the Commission by January 22, 2004, as a supplemental exhibit to this Application, to be designated Exhibit 5.

12. The District represents that the issuance of the 2004A Bonds will be in the public interest and is intended to accomplish the purpose of strengthening the financial condition of the District by producing substantial debt service savings. This is a lawful object within the corporate purposes of the District's utility operations. The 2004A Bonds are necessary and appropriate for and consistent with the proper performance by the District of its service to the public and will not impair its ability to perform that service.

13. The District represents that it will, as soon as reasonably possible after the closing of the 2004A Bond issue, file with the Commission a statement setting forth the date of issuance of the 2004A Bonds, the price paid and the fees and expenses incurred in the issuance of the 2004A Bonds.

14. The detailed Statement of Income, Balance Sheet and Statement of Cash Flows (both water and sewer divisions) for the twelve-month period ending on November 30, 2003, are attached hereto, and incorporated herein by reference, as Exhibit 6.

15. The remaining financial schedules and other information necessary for the Financial Exhibit required by 807 KAR 5:001, Section 6 and Section 11(2)(a) are contained in the 2002 Annual Report which is on file with the Commission. The Annual Report is incorporated herein by reference.

16. Pursuant to 807 KAR 5:001, the District hereby responds as follows:

- (a) Section 6(4) Mortgages: The District does not have any mortgages in effect as of the date hereof.
- (b) Section 6(5) Bonds: The 2004A Bonds will be secured by a pledge of the revenues of the District's water system.

(c) Section 11(2)(b): The District does not have any trust deeds in effect as of the date hereof.

(d) Section 11(2)(c): No property is being acquired; the proceeds of the 2004A Bonds are being used for the advance refunding of the Prior Bonds.

17. The District hereby requests and moves for a deviation, pursuant to 807 KAR:5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, which requires that the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The 2002 Annual Report referred to in this Application is for the twelve (12) month period ending December 31, 2003, and the District states there has been no material change in the financial condition or operation of the District since December 31, 2002, except that in 2003 the District incurred two water project loans in the aggregate outstanding amount of \$2,589,867 from the Kentucky Rural Water Finance Corporation pursuant to Assistance Agreements dated as of March 25, 2003, and November 13, 2003, respectively, which loans were approved by the Public Service Commission. Because of the volatility of the bond market, the District cannot run the risk of delaying the closing of the 2004A Bond issue while the 2003 Annual Report to the Public Service Commission is compiled. The financial data filed as Exhibit 6 is for the twelve-month period ending November 30, 2003.

18. No rate adjustment will be necessary.

WHEREFORE, the District respectfully requests that the Commission take the following actions:

1. Place this Application to issue securities at the head of the docket as provided by KRS 278.300(2);

2. Authorize the issuance of the securities requested in the Application prior to the proposed closing date of February 26, 2004.

3. Grant the District a deviation, to the extent necessary, from 807 KAR 5:001, Section 6, as requested in paragraph 17 of this Application.

4. Process this Application without a formal hearing in order to save time and expense. The District will promptly respond to any inquiries or information requests by the Commission's staff.

Respectfully submitted,

WARREN COUNTY WATER DISTRICT

By 
R. Harvey Johnston, III
Chairman

HARPER, FERGUSON & DAVIS
(Division of Ogden Newell & Welch PLLC)

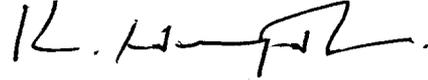
By 
William W. Davis
Louisville, Kentucky 40202
Phone: (502) 560-4257
Fax: (502) 627-8757
Bond Counsel for Warren County
Water District

STATE OF KENTUCKY)
) SS
COUNTY OF WARREN)

The affiant, R. Harvey Johnston, III, being first duly sworn, states that he is the Chairman of the Warren County Water District, the Applicant in this case; that he has read the foregoing

Application and has noted the contents thereof; and that the statements of fact set forth therein are true and correct to the best of his knowledge and belief.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 12 day of January, 2004.



R. Harvey Johnston, III, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by R. Harvey Johnston, III, Chairman of the Warren County Water District, on this the 12 day of January, 2004.

My Commission expires: 2-18-07.



Notary Public

LIST OF EXHIBITS

1. Estimated Debt Service for the 2004A Bonds
2. Sources and Uses of Funds
3. Gross Debt Service Comparison
4. Debt Service Schedule of Prior Bonds
5. Final Financing Data (to be filed following 2004A Bond sale on January 20, 2004)
6. State of Income, Balance Sheet and Statement of Cash Flows (year ended 11/30/03)

Exhibit 1

Warren County Water District (Kentucky)
Water Refunding Revenue Bonds
Series 2004

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
2/15/2004	-	-	-	-	-
7/01/2004	-	-	31,023.96	31,023.96	-
12/31/2004	-	-	-	-	31,023.96
1/01/2005	70,000.00	1.150%	37,228.75	107,228.75	-
7/01/2005	-	-	36,826.25	36,826.25	-
12/31/2005	-	-	-	-	144,055.00
1/01/2006	75,000.00	1.500%	36,826.25	111,826.25	-
7/01/2006	-	-	36,263.75	36,263.75	-
12/31/2006	-	-	-	-	148,090.00
1/01/2007	75,000.00	1.800%	36,263.75	111,263.75	-
7/01/2007	-	-	35,588.75	35,588.75	-
12/31/2007	-	-	-	-	146,852.50
1/01/2008	75,000.00	2.150%	35,588.75	110,588.75	-
7/01/2008	-	-	34,782.50	34,782.50	-
12/31/2008	-	-	-	-	145,371.25
1/01/2009	80,000.00	2.450%	34,782.50	114,782.50	-
7/01/2009	-	-	33,802.50	33,802.50	-
12/31/2009	-	-	-	-	148,585.00
1/01/2010	80,000.00	2.700%	33,802.50	113,802.50	-
7/01/2010	-	-	32,722.50	32,722.50	-
12/31/2010	-	-	-	-	146,525.00
1/01/2011	85,000.00	2.950%	32,722.50	117,722.50	-
7/01/2011	-	-	31,468.75	31,468.75	-
12/31/2011	-	-	-	-	149,191.25
1/01/2012	85,000.00	3.200%	31,468.75	116,468.75	-
7/01/2012	-	-	30,108.75	30,108.75	-
12/31/2012	-	-	-	-	146,577.50
1/01/2013	90,000.00	3.350%	30,108.75	120,108.75	-
7/01/2013	-	-	28,601.25	28,601.25	-
12/31/2013	-	-	-	-	148,710.00
1/01/2014	95,000.00	3.500%	28,601.25	123,601.25	-
7/01/2014	-	-	26,938.75	26,938.75	-
12/31/2014	-	-	-	-	150,540.00
1/01/2015	100,000.00	3.600%	26,938.75	126,938.75	-
7/01/2015	-	-	25,138.75	25,138.75	-
12/31/2015	-	-	-	-	152,077.50
1/01/2016	100,000.00	3.700%	25,138.75	125,138.75	-
7/01/2016	-	-	23,288.75	23,288.75	-
12/31/2016	-	-	-	-	148,427.50
1/01/2017	105,000.00	3.850%	23,288.75	128,288.75	-
7/01/2017	-	-	21,267.50	21,267.50	-
12/31/2017	-	-	-	-	149,556.25
1/01/2018	110,000.00	3.950%	21,267.50	131,267.50	-
7/01/2018	-	-	19,095.00	19,095.00	-
12/31/2018	-	-	-	-	150,362.50
1/01/2019	110,000.00	4.000%	19,095.00	129,095.00	-
7/01/2019	-	-	16,895.00	16,895.00	-

Warren County Water District (Kentucky)
Water Refunding Revenue Bonds
 Series 2004

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
12/31/2019	-	-	-	-	145,990.00
1/01/2020	120,000.00	4.100%	16,895.00	136,895.00	-
7/01/2020	-	-	14,435.00	14,435.00	-
12/31/2020	-	-	-	-	151,330.00
1/01/2021	120,000.00	4.150%	14,435.00	134,435.00	-
7/01/2021	-	-	11,945.00	11,945.00	-
12/31/2021	-	-	-	-	146,380.00
1/01/2022	125,000.00	4.200%	11,945.00	136,945.00	-
7/01/2022	-	-	9,320.00	9,320.00	-
12/31/2022	-	-	-	-	146,265.00
1/01/2023	135,000.00	4.300%	9,320.00	144,320.00	-
7/01/2023	-	-	6,417.50	6,417.50	-
12/31/2023	-	-	-	-	150,737.50
1/01/2024	140,000.00	4.400%	6,417.50	146,417.50	-
7/01/2024	-	-	3,337.50	3,337.50	-
12/31/2024	-	-	-	-	149,755.00
1/01/2025	150,000.00	4.450%	3,337.50	153,337.50	-
12/31/2025	-	-	-	-	153,337.50
Total	2,125,000.00	-	1,024,740.21	3,149,740.21	-

YIELD STATISTICS

Accrued Interest from 02/01/2004 to 02/15/2004.....	2,895.57
Bond Year Dollars.....	\$26,062.92
Average Life.....	12.265 Years
Average Coupon.....	3.9317941%
Net Interest Cost (NIC).....	4.0948610%
True Interest Cost (TIC).....	4.1028452%
Bond Yield for Arbitrage Purposes.....	3.9352274%
All Inclusive Cost (AIC).....	4.4132494%
IRS FORM 8038	
Net Interest Cost.....	3.9994311%
Weighted Average Maturity.....	12.196 Years

Warren County Water District (Kentucky)
Water Refunding Revenue Bonds
Series 2004

SOURCES & USES

Dated 02/01/2004

Delivered 02/15/2004

SOURCES OF FUNDS

Par Amount of Bonds.....	\$2,125,000.00
Transfers from Prior Issue DSR Funds.....	710,979.00
Accrued Interest from 02/01/2004 to 02/15/2004.....	2,895.57

TOTAL SOURCES.....	\$2,838,874.57
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USES OF FUNDS

Deposit to Net Cash Escrow Fund.....	2,050,098.83
Deposit to Debt Service Reserve Fund (DSRF).....	684,295.39
Costs of Issuance.....	58,500.00
Total Underwriter's Discount (1.535%).....	32,617.65
Original Issue Discount (OID).....	9,882.35
Deposit to Debt Service Fund.....	2,895.57
Rounding Amount.....	584.78

TOTAL USES.....	\$2,838,874.57
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Warren County Water District (Kentucky)
Water Refunding Revenue Bonds
 Series 2004

GROSS DEBT SERVICE COMPARISON

Date	Principal	Coupon	Interest	NEW D/S	OLD D/S	Savings
12/31/2004	-	-	31,023.96	31,023.96	54,853.13	23,829.17
12/31/2005	70,000.00	-	74,055.00	144,055.00	153,525.01	9,470.01
12/31/2006	75,000.00	-	73,090.00	148,090.00	156,031.26	7,941.26
12/31/2007	75,000.00	-	71,852.50	146,852.50	153,393.76	6,541.26
12/31/2008	75,000.00	-	70,371.25	145,371.25	155,570.01	10,198.76
12/31/2009	80,000.00	-	68,585.00	148,585.00	157,391.26	8,806.26
12/31/2010	80,000.00	-	66,525.00	146,525.00	154,001.26	7,476.26
12/31/2011	85,000.00	-	64,191.25	149,191.25	155,422.51	6,231.26
12/31/2012	85,000.00	-	61,577.50	146,577.50	156,541.26	9,963.76
12/31/2013	90,000.00	-	58,710.00	148,710.00	157,325.63	8,615.63
12/31/2014	95,000.00	-	55,540.00	150,540.00	157,772.50	7,232.50
12/31/2015	100,000.00	-	52,077.50	152,077.50	157,925.63	5,848.13
12/31/2016	100,000.00	-	48,427.50	148,427.50	157,785.01	9,357.51
12/31/2017	105,000.00	-	44,556.25	149,556.25	157,350.63	7,794.38
12/31/2018	110,000.00	-	40,362.50	150,362.50	156,610.00	6,247.50
12/31/2019	110,000.00	-	35,990.00	145,990.00	155,562.50	9,572.50
12/31/2020	120,000.00	-	31,330.00	151,330.00	159,072.50	7,742.50
12/31/2021	120,000.00	-	26,380.00	146,380.00	157,140.00	10,760.00
12/31/2022	125,000.00	-	21,265.00	146,265.00	154,850.00	8,585.00
12/31/2023	135,000.00	-	15,737.50	150,737.50	157,050.00	6,312.50
12/31/2024	140,000.00	-	9,755.00	149,755.00	158,650.00	8,895.00
12/31/2025	150,000.00	-	3,337.50	153,337.50	159,650.00	6,312.50
Total	2,125,000.00	-	1,024,740.21	3,149,740.21	3,343,473.86	193,733.65

PRESENT VALUE ANALYSIS SUMMARY (GROSS TO GROSS)

Gross PV Debt Service Savings.....	135,463.72
Accrued Interest Credit to Debt Service Fund.....	2,895.57
Transfers from Prior Issue DSR Fund.....	(710,979.00)
Amount deposited into new DSR Fund.....	684,295.39
Contingency or Rounding Amount.....	584.78
NET PRESENT VALUE BENEFIT.....	\$112,260.46
NET PV BENEFIT / \$1,880,000 REFUNDED PRINCIPAL.....	5.971%
NET PV BENEFIT / \$2,125,000 REFUNDING PRINCIPAL.....	5.283%

REFUNDING BOND INFORMATION

Refunding Dated Date.....	2012004/
Refunding Delivery Date.....	2152004/

Warren County Water District (Kentucky)
Water Refunding Revenue Bonds
Series 1995B

TOTAL REFUNDED DEBT SERVICE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
7/01/2004	-	-	54,853.13	54,853.13	-
12/31/2004	-	-	-	-	54,853.13
1/01/2005	45,000.00	5.250%	54,853.13	99,853.13	-
7/01/2005	-	-	53,671.88	53,671.88	-
12/31/2005	-	-	-	-	153,525.01
1/01/2006	50,000.00	5.250%	53,671.88	103,671.88	-
7/01/2006	-	-	52,359.38	52,359.38	-
12/31/2006	-	-	-	-	156,031.26
1/01/2007	50,000.00	5.300%	52,359.38	102,359.38	-
7/01/2007	-	-	51,034.38	51,034.38	-
12/31/2007	-	-	-	-	153,393.76
1/01/2008	55,000.00	5.450%	51,034.38	106,034.38	-
7/01/2008	-	-	49,535.63	49,535.63	-
12/31/2008	-	-	-	-	155,570.01
1/01/2009	60,000.00	5.600%	49,535.63	109,535.63	-
7/01/2009	-	-	47,855.63	47,855.63	-
12/31/2009	-	-	-	-	157,391.26
1/01/2010	60,000.00	5.700%	47,855.63	107,855.63	-
7/01/2010	-	-	46,145.63	46,145.63	-
12/31/2010	-	-	-	-	154,001.26
1/01/2011	65,000.00	5.750%	46,145.63	111,145.63	-
7/01/2011	-	-	44,276.88	44,276.88	-
12/31/2011	-	-	-	-	155,422.51
1/01/2012	70,000.00	5.750%	44,276.88	114,276.88	-
7/01/2012	-	-	42,264.38	42,264.38	-
12/31/2012	-	-	-	-	156,541.26
1/01/2013	75,000.00	5.875%	42,264.38	117,264.38	-
7/01/2013	-	-	40,061.25	40,061.25	-
12/31/2013	-	-	-	-	157,325.63
1/01/2014	80,000.00	5.875%	40,061.25	120,061.25	-
7/01/2014	-	-	37,711.25	37,711.25	-
12/31/2014	-	-	-	-	157,772.50
1/01/2015	85,000.00	5.875%	37,711.25	122,711.25	-
7/01/2015	-	-	35,214.38	35,214.38	-
12/31/2015	-	-	-	-	157,925.63
1/01/2016	90,000.00	5.875%	35,214.38	125,214.38	-
7/01/2016	-	-	32,570.63	32,570.63	-
12/31/2016	-	-	-	-	157,785.01
1/01/2017	95,000.00	5.875%	32,570.63	127,570.63	-
7/01/2017	-	-	29,780.00	29,780.00	-
12/31/2017	-	-	-	-	157,350.63
1/01/2018	100,000.00	5.900%	29,780.00	129,780.00	-
7/01/2018	-	-	26,830.00	26,830.00	-
12/31/2018	-	-	-	-	156,610.00
1/01/2019	105,000.00	5.900%	26,830.00	131,830.00	-
7/01/2019	-	-	23,732.50	23,732.50	-
12/31/2019	-	-	-	-	155,562.50

Warren County Water District (Kentucky)
Water Refunding Revenue Bonds
 Series 1995B

TOTAL REFUNDED DEBT SERVICE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
1/01/2020	115,000.00	5.900%	23,732.50	138,732.50	-
7/01/2020	-	-	20,340.00	20,340.00	-
12/31/2020	-	-	-	-	159,072.50
1/01/2021	120,000.00	5.900%	20,340.00	140,340.00	-
7/01/2021	-	-	16,800.00	16,800.00	-
12/31/2021	-	-	-	-	157,140.00
1/01/2022	125,000.00	6.000%	16,800.00	141,800.00	-
7/01/2022	-	-	13,050.00	13,050.00	-
12/31/2022	-	-	-	-	154,850.00
1/01/2023	135,000.00	6.000%	13,050.00	148,050.00	-
7/01/2023	-	-	9,000.00	9,000.00	-
12/31/2023	-	-	-	-	157,050.00
1/01/2024	145,000.00	6.000%	9,000.00	154,000.00	-
7/01/2024	-	-	4,650.00	4,650.00	-
12/31/2024	-	-	-	-	158,650.00
1/01/2025	155,000.00	6.000%	4,650.00	159,650.00	-
12/31/2025	-	-	-	-	159,650.00
Total	1,880,000.00	-	1,463,473.86	3,343,473.86	-

YIELD STATISTICS

Average Life.....	13.076 Years
Weighted Average Maturity (Par Basis).....	13.037 Years
Average Coupon.....	5.9159254%

REFUNDING BOND INFORMATION

Refunding Dated Date.....	2012004/
Refunding Delivery Date.....	2152004/

WCWD Balance Sheet
 WARREN COUNTY WATER DISTRICT
 NOVEMBER 30, 2003

Exhibit 6

	PERIOD TO DATE ACTUAL	YEAR TO DATE ACTUAL
LIABILITIES AND OTHER CREDITS		
CAPITAL:		
Contributions in Aid of Const	59,517.29	18,012,421.38
Customer Advance for Const	69,525.70	2,365,410.16
TOTAL CAPITAL	<u>129,042.99</u>	<u>20,377,831.54</u>
LONG TERM DEBT:		
Bonds Held by Public:		
Series 1998		4,020,000.00
EDA - Series F		85,000.00
GECC - Series L, M & O		55,000.00
RECD - Series 1995		
KRWFC - Series 2003		2,458,000.00
KRWFC - Series 2003A	131,867.25	131,867.25
BCB - Series 1989A/1995B		1,925,000.00
Series 1999B		3,480,000.00
RECD - Series 1999A		1,963,000.00
Total Bonds Held by Public:	<u>131,867.25</u>	<u>14,117,867.25</u>
KIA - 31W So & SCKIP	(7,895.23)	190,096.80
TOTAL LONG TERM DEBT	<u>123,972.02</u>	<u>14,307,964.05</u>
CURRENT AND ACCRUED LIABILITIES:		
Rebate Fund Payable		20,813.33
Notes Payable	130.98	
Accounts Payable - General		604,461.19
Accounts Payable - Constructio	(27,721.61)	3,626.22
Customer Deposits		515,435.92
Taxes and Equivalents Accrued	(87.14)	19,525.23
Other Deferred Credits	2,009.88	
Interest Accrued - Long Term Debt:	(3,100.50)	31,739.46
EDA - Series F	336.00	1,678.17
CECC - Series L, M & O	172.00	860.51
RECD - Series 1995		
TFB - 1989A/1989A Div.		
BGB - 1989A/1995B Div.		
Series 1998	9,339.00	46,694.74
KIA - 31W So & SCKIP	14,840.00	74,200.83
RECD - Series 1999A	(4,161.26)	1,009.74
Series 1999B	8,384.00	42,064.37
KRWFC, Series 2003	15,420.00	77,101.34
	8,944.00	35,775.89
Total Interest Accrued - Long Term Debt:	<u>53,273.74</u>	<u>279,385.59</u>
Interest - Consumer Deposits	967.99	1,847.90
Other Current Liabilities	13,127.78	328,229.42
TOTAL CURRENT & ACCRUED	<u>38,601.12</u>	<u>1,805,064.26</u>
ACCUMULATED EARNINGS:		
Beginning of the Year		10,675,549.97
Current Year to Date	51,094.66	536,251.02
TOTAL ACCUMULATED EARNINGS	<u>51,094.66</u>	<u>11,211,800.99</u>
TOTAL LIABILITIES AND OTHER CREDITS	<u>342,710.79</u>	<u>47,702,660.84</u>

WCWD Balance Sheet
WARREN COUNTY WATER DISTRICT
NOVEMBER 30, 2003

	<u>PERIOD TO DATE</u> ACTUAL	<u>YEAR TO DATE</u> ACTUAL
ASSETS AND OTHER DEBITS		
UTILITY PLANT :		
Utility Plant in Service	132,400.31	54,995,062.65
Construction Work in Progress	134,816.36	556,919.99
Less Accumulated Depreciation	(107,136.03)	(14,913,378.33)
TOTAL UTILITY PLANT	160,080.64	40,638,604.31
OTHER PROPERTY AND INVESTMENTS :		
Depreciation Fund	252,103.17	1,442,660.36
Sinking Funds & Debt Service:		
BDA: Bond	333.24	4,253.64
Interest	336.24	1,684.89
CECC: Bond	1,418.28	16,192.14
Interest	172.15	863.02
BGB: Bond	3,751.83	41,292.89
Interest	9,343.57	47,350.57
Series 1998: Bond	30,855.51	339,616.66
Interest	14,850.83	74,419.75
KIA: Principle	(6,569.89)	(226.48)
Interest	(4,316.48)	2,927.99
RECD: Bond		
Interest		
Series 1999B: Bond	5,011.22	55,161.33
Interest	15,454.61	77,597.21
Series 1999A: Bond	1,670.34	18,376.68
Interest	8,400.81	42,134.73
Series 2003: Bond	5,000.00	50,000.00
Interest	8,944.26	38,763.78
Debt Service Reserve - 1989A		415,406.25
Debt Service Reserve - 1995B		142,466.00
Debt Service Reserve - 1999B		216,419.56
Rebate Fund - Series 1989A		11,368.52
Rebate Fund - Series 1995B	1.17	
Total Sinking Funds & Debt Service:	94,657.69	1,596,069.13
Special Funds:		
Special Fund - Project 17		950,000.00
Special Fund - Hays Area		400,000.00
Special Fund - Deposits	1,058.33	538,668.66
Total Special Funds:	1,058.33	1,888,668.66
TOTAL OTHER PROPERTY AND INVESTMENTS	347,819.19	4,927,398.15
CURRENT AND ACCRUED ASSETS:		
Cash and Working Funds		
General Operations	(604,528.80)	(17,445.59)
Payroll Account	(18,026.81)	71,488.06
Customer Refunds	(29.95)	(02)
Construction Fund (SCIP)	482,579.31	482,579.31
Accounts Receivable - Customer	115,225.45	239,298.61
Accounts Receivable - Misc.	105,258.99	435,460.45
Warehouse Inventory	6,071.50	228,361.56
Prepayment - Insurance	(8,297.86)	58,084.89
Current and Accrued Assets	(257,656.94)	9,728.99
Clearing Accounts	22,057.34	6,684.62
Deferred Debits	(7,841.27)	622,417.50
TOTAL CURRENT AND ACCRUED ASSETS	(647,768.35)	1,654,079.07
TOTAL ASSETS AND OTHER DEBITS	342,710.79	47,702,660.84

WARREN COUNTY WATER DISTRICT

Summary of Revenue & Expense
December 2002 through November 2003

	<u>TOTAL</u>
OPERATING REVENUE:	
Metered Water Revenue	\$ 5,692,831
Forfeited Discounts	90,026
Miscellaneous Service Revenue	180,612
Other Water Revenue	846
Interest Income	115,703
Rental Income - Water Property	37,274
Gain / (Loss) on Disposal	-
Non Utility Income - Recycling	38,415
	<hr/>
TOTAL Operating Revenue	\$ 6,155,707
OPERATING EXPENSES:	
Salaries and Wages	\$ 799,521
Commissioner Fees	9,450
Fringe Benefits	379,018
Purchased Water	1,579,713
Purchased Power	286,144
Chemicals	-
Materials & Supplies	106,206
Contractual Services - Engineering	-
Contractual Services - Accounting	10,906
Contractual Services - Legal	11,344
Contractual Services - Other	229,362
Rental of Building \ Property	49,273
Equipment Expenses	105,157
Insurance - General Liability	35,558
Insurance - Other	5,224
Regulatory Commission Expense	12,444
Bad Debts Expense	15,850
Miscellaneous Expense	12,893
	<hr/>
SUBTOTAL Operating Expenses	\$ 3,648,063
OTHER EXPENSES:	
Depreciation	\$ 1,169,470
Tax Expense	-
Misc. Non-Operating Income	1,309
Misc. Non-Operating Expense	-
Interest Expenses	742,115
Unamortized Debt Expense	67,120
Extraordinary Income \ Expense	-
	<hr/>
SUBTOTAL Other Expenses	\$ 1,980,014
NET INCOME \ (LOSS)	<u>\$ 527,629</u>

WARREN COUNTY WATER DISTRICT
Cash Flow Statement
November 30, 2003

	Amount
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating Income	\$ 1,145,936
Adjustments to reconcile operating income to to net cash provided by operating activities:	
Depreciation	1,213,091
Decreases (Increases) in:	
Accounts Receivable - Customers & Misc.	(271,654)
Prepaid Insurance	16,173
Materials and Supplies Inventory	15,470
Current and Accrued Assets	1,951
Deferred Charges & Clearing Accounts	29,052
Increase (Decrease) in:	
Accounts Payable and Accrued Liabilities	219,370
Deposits	36,516
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,405,906
 CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from Bonds and Notes	\$ 2,589,867
Principal Paid on Bonds and Notes	(2,950,590)
Interest Expense Paid	(742,115)
Unamortized Debt Expense	(67,120)
Acquisition and Construction of Capital Assets	(1,881,976)
Capital Contributed by Subdividers	405,833
Contributions in Aid of Construction	878,083
NET CASH USED IN FINANCING ACTIVITIES	(1,768,019)
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Income	\$ 115,703
Rental Income - Water Property	37,274
Non-Utility Income - Recycling	38,415
Other	(464)
NET CASH PROVIDED BY INVESTING ACTIVITIES	190,928
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 \$ 828,816
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,635,204
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,464,020

WCSO Balance Sheet
 WARREN COUNTY SEWER DIVISION
 NOVEMBER 30, 2003

	PERIOD TO DATE ACTUAL	<u>YEAR TO DATE</u> ACTUAL
ASSETS AND OTHER DEBITS		
UTILITY PLANT :		
Utility Plant in Service	69,915.25	13,750,788.48
Non Utility Plant		
Construction Work in Progress	173,375.42	523,906.02
Less Accumulated Depreciation	(24,265.00)	(2,834,880.00)
TOTAL UTILITY PLANT	219,025.67	11,439,814.50
OTHER PROPERTY AND INVESTMENTS :		
Depreciation Fund	1,531.79	960,324.84
Sinking Funds & Debt Service:		
EDA: Bond	2,505.92	26,116.76
Interest	851.85	3,746.42
RECD: Bond	877.08	9,158.71
Interest	2,603.55	11,239.12
KIA: Principle	(5,281.47)	3,825.75
Interest	(4,260.43)	3,871.90
KIA: Bond & Int	(30,032.21)	(6,254.21)
Debt Service Reserve	501.03	241,413.70
Total Sinking Funds & Debt Service:	(32,234.68)	293,118.15
TOTAL OTHER PROPERTY AND INVESTMENTS	(30,702.89)	1,253,442.99
CURRENT AND ACCRUED ASSETS:		
Cash and Working Funds:		
General Operations	(174,795.91)	16,991.51
Accounts Receivable - Customer	33,030.43	44,203.93
Special Funds - Deposits	140.58	71,549.92
Accounts Receivable - Misc.	264,500.79	419,416.07
Prepayment - Insurance	(1,516.69)	10,616.73
Other Current Assets	100,367.78	127,196.65
TOTAL CURRENT AND ACCRUED ASSETS	221,726.98	689,974.81
TOTAL ASSETS AND OTHER DEBITS	410,049.76	13,383,232.30

WCSD Balance Sheet
 WARREN COUNTY SEWER DIVISION
 NOVEMBER 30, 2003

	<u>PERIOD TO DATE</u> ACTUAL	<u>YEAR TO DATE</u> ACTUAL
LIABILITIES AND OTHER CREDITS		
CAPITAL:		
Contributions in Aid of Const	14,000.00	5,213,422.56
Customer Advance for Const	30,715.25	2,269,768.56
TOTAL CAPITAL	44,715.25	7,483,191.12
LONG TERM DEBT:		
EDA - Series of 1970		215,000.00
RECD - Series of 1993		693,500.00
KIA - SCKIP / Job 197, 12/93	(1,269.38)	33,144.91
KRWFC - Series 2003 A	350,632.75	350,632.75
KIA - Russellville Rd, 9/1997	(19,655.35)	799,925.65
KIA - Barren River Rd, 4/1998	(5,071.39)	206,393.46
TOTAL LONG TERM DEBT	324,636.63	2,298,596.77
CURRENT AND ACCRUED LIABILITIES:		
Accounts Payable	26,003.44	107,415.46
Customer Deposits	(33.77)	66,959.23
Taxes and Equivalents Accrued		
Interest Accrued - Long Term Debt:		
EDA - Series of 1970	851.00	4,254.83
RECD - Series 1993, S. Grove	2,601.00	13,006.51
KIA - Series 12/1993, SCKIP	(562.75)	807.73
KRWFC - Series 2003A	1,025.00	1,025.00
KIA - Series 9/1997, Russ Rd	(12,977.04)	179.69
KIA - Series 4/1998, Barren R	(3,347.83)	45.98
Total Interest Accrued - Long Term Debt:	(12,410.62)	19,319.74
Interest - Consumer Deposits	120.78	243.93
Other Current Liabilities		
TOTAL CURRENT & ACCRUED	13,679.83	193,938.36
ACCUMULATED EARNINGS:		
Beginning of the Year		3,164,841.61
Current Year to Date	27,018.05	242,664.44
TOTAL ACCUMULATED EARNINGS	27,018.05	3,407,506.05
TOTAL LIABILITIES AND OTHER CREDITS	410,049.76	13,383,232.30

**WARREN COUNTY WATER DISTRICT
SEWER DIVISION**

Summary of Revenue & Expense
December 2002 through November 2003

	<u>TOTAL</u>
OPERATING REVENUE:	
Metered Sewer Revenue	\$ 1,068,984
Forfeited Discounts	10,945
Miscellaneous Service Revenue	9,905
Other Sewer Revenue	436
Interest Income	25,381
Rental Income - Office Building	26,949
Gain / (Loss) on Disposal	-
	<hr/>
TOTAL Operating Revenue	\$ 1,142,600
 OPERATING EXPENSES:	
Salaries and Wages	\$ 66,842
Commissioner Fees	9,150
Fringe Benefits	31,251
Sewage Disposal	298,292
Purchased Power	41,078
Chemicals	-
Materials & Supplies	9,433
Contractual Services - Engineering	-
Contractual Services - Accounting	9,164
Contractual Services - Legal	208
Contractual Services - Other	29,077
Rental of Building \ Property	-
Equipment Expenses	5,455
Insurance - General Liability	8,854
Insurance - Other	2,545
Regulatory Commission Expense	-
Bad Debts Expense	968
Miscellaneous Expense	2,795
	<hr/>
SUBTOTAL Operating Expenses	\$ 515,112
 OTHER EXPENSES:	
Depreciation	\$ 288,533
Tax Expense	-
Misc. Non-Operating Income	(6)
Misc. Non-Operating Expense	-
Interest Expenses	83,184
Unamortized Debt Expense	-
Extraordinary Income \ Expense	-
	<hr/>
SUBTOTAL Other Expenses	\$ 371,711
 NET INCOME \ (LOSS)	 \$ 255,777

WARREN COUNTY WATER DISTRICT
SEWER DIVISION
Cash Flow Statement
November 30, 2003

	Amount
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating Income	\$ 286,189
Adjustments to reconcile operating income to to net cash provided by operating activities:	
Depreciation	283,063
Decreases (Increases) in:	
Accounts Receivable - Customers	(4,187)
Prepaid Insurance	(1,320)
Other Receivables	(215,527)
Other Current Assets	(121,523)
Increase (Decrease) in:	
Accounts Payable and Accrued Liabilities	53,404
Deposits	9,348
NET CASH PROVIDED BY OPERATING ACTIVITIES	289,447
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from Bonds and Notes	\$ 350,633
Principal Paid on Bonds and Notes	(102,128)
Interest Expense Paid	(83,184)
Unamortized Debt Expense	-
Acquisition and Construction of Capital Assets	(1,193,976)
Capital Contributed by Subdividers	563,139
Contributions in Aid of Construction	198,336
NET CASH USED IN FINANCING ACTIVITIES	(267,181)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Income	\$ 25,381
Rental Income - Office Building	26,949
Other	471
NET CASH PROVIDED BY INVESTING ACTIVITIES	52,801
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 75,067
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,266,917
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,341,984